



U.S. Department of Justice
United States Attorney
Western District of New York

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PRESS RELEASE

September 15, 2004

RE: UNITED STATES v. HUGH STEVENS, *et al.*

United States Attorney Michael A. Battle announced today the unsealing of an 8-count OCDETF Indictment in Operation Lame Horse, charging **HUGH STEVENS a/k/a "Huey,"** age 58, **SANDRA JACOBI a/k/a "Sandi,"** age 47, both of Derby, New York, **KENNETH ARTHUR MEGO,** age 32, of Orchard Park, New York, **LYNN M. HESS,** age 45, of Blasdell, New York, **LOUIS RUSSO,** age 36, and **CHRISTOPHER RUSSO,** age 32, both of Batavia, New York, with conspiracy to possess and distribute a listed chemical, to wit, ephedrine and conspiracy to manufacture methamphetamine, in violation of Title 21, United States Code, Sections 841(c)(2), 841(a)(1) and 841(b)(1)(B), and 846, carrying a mandatory minimum penalty of 10 years, and up to life, imprisonment and a fine of \$4,000,000.00, or both. **HUGH STEVENS** is also charged with managing a continuing criminal enterprise in violation of Title 21, United States Code, 848(a), which carries a mandatory minimum of 20 years, up to life, imprisonment and a fine of \$2,000,000, or both. It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty. **(Disciplinary Rule 7-107(B)(6)).**

Assistant United States Attorney (AUSA) Thomas S. Duszkievicz stated that the Indictment charges the defendants with their involvement in the importation and distribution of a List I chemical, ephedrine, which is used as a precursor in the manufacturing of methamphetamine, a Schedule II controlled substance. AUSA Duszkievicz also stated that the more than year long investigation will also result in other arrests in the United States and throughout Canada and has resulted in the seizure on July 10, 2004 at the Lewiston Bridge of in excess of 200 kilograms of ephedrine. The Indictment also seeks forfeiture of criminally derived assets of up to \$14,711,250 upon conviction of the named defendants.

The Indictment was the culmination of an OCDETF investigation dubbed "Operation Lame Horse" conducted on the part of the Drug Enforcement Administration (DEA), under the direction of Mark T. Peterson, Resident Agent in Charge, United States Immigration and Customs Enforcement, under the direction of Peter J. Smith, Special Agent in Charge, United States Postal Service, under the direction of Thomas N. Shipley, Assistant Inspector in Charge, and the Royal Canadian Mounted Police. Assistance was also provided by the Lackawanna Police Department and other offices of the DEA.

The evidence was presented to the Grand Jury by Assistant United States Attorney Duszkievicz who will handle the trial of the case before Honorable William M. Skretny, United States District Judge. The defendants will be arraigned before Honorable H. Kenneth Schroeder, United States Magistrate Judge today at 3:00 p.m.